



**Trustees of Trust Funds
Meeting Minutes
Friday, April 29, 2016
Conference Room, Merrimack Town Hall, East Wing**



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The meeting was called to order at 8:35 a.m. Trustees present were Balcom, Wilkes and Christensen. Also present was Tom Boland Deputy Finance Director.

The minutes of March 18,, 2016 were approved as amended 3-0-0. Motion by Wilkes, second by Christensen; amended to clarify that \$37000 encumbered for improvements to the Smith Gym were to be from the Watkins Fund (Fund C). .

Christensen reported that he had been in contact with Ameriprise concerning dividends withheld on international stocks (TD, POT and RDS/A). Ameriprise has our NR309 on file (Canada tax form). This enables a reduced withholding but there is still a withholding. The matter has been referred from the Service Department to the "Re-organization Department" to determine if we need to take action or if Ameriprise can recover the withheld dividends on our behalf. No explanation yet for why Royal Dutch Shell (RDS/A) dividends in Fund D were subject to withholding, but not similar shares in Fund C. The Re-org department is to research and call back. They are only open during market hours.

Excerpts from the Watkins will and Gage will were circulated and discussed. The Watkins will is very clear that funds are to be for the benefit of grades 1-8. It is doubtful that a *Cy Pres* motion to expand this to the High School would be granted since it is still possible to fulfill the intent of the bequest. Gage refers to support of full common schools throughout the districts with funds being allocated according to the number of students in each district. Discussion followed as to the intent of the settlors and our responsibility as fiduciaries. Various types of projects and programs were discussed and how the Trust Funds might or might not be applicable. One phrase that seemed to sum things up was that funds be used for the "operation and maintenance" of the schools.

Additional, discussion followed on the school request for \$97,000 to fund a "programming curriculum" system wide. There was limited enthusiasm for this, with discussion about current student abilities and paying tuition for teachers to attend seminars to develop their skills. On a motion by Balcom, second by Christensen, it was agreed to encumber not more than \$50,000 from the Watkins Fund for the student side of the program and related materials. It was noted that this would not fund anything outside of grades 1-8, nor would it fund tuition, expenses or fees for teachers, these being beyond the scope of the bequests. Motion passed 2-1-0.

Both the School District and the Merrimack Village District voters approved warrant articles authorizing the Trustees to pay management fees out of income on Capital Reserve Funds. Official confirmation of the votes has been requested so a formal notification can be sent to the Department of Justice, Charitable Trust Division.

We have received correspondence from Edward Jones, Peoples United Bank and Cambridge Trust. Edward Jones determined that they could not be of service. Both People's and Cambridge Trust suggested portfolio management services suggesting an "Equity Income Strategy". Cambridge noted that our defensive strategy over the last several years had been

quite successful. We agreed that when the economy moves up, we will benefit from a less focused portfolio, including some international exposure, perhaps pending resolution of the dividend withholding matters.

Our next meeting date is Friday, May 20, at 8:30 am. This is the same morning that we expect the Watkins Prize Speaking Contest to be held. The June meeting is planned for Friday, June 17 at 8:30 am. The Charitable Trust Division Advanced Seminar for Trustees is at 1:00 pm on Wednesday, June 15.

A motion to adjourn by Wilkes, second by Balcom carried 3-0-0.

Meeting adjourned at 10:05 a.m.

Respectfully submitted,

Chris Christensen
Trustee Secretary/Treasurer

* "in the Watkins Fund (Fund C)" amended to minutes April 29, 2016